

From: Wiz Horner
To: AFM-All
Date: 1/24/01, 12:56 pm
Subject: **Clarification - AFM Performance Awards Policy**

Last September, I announced our plans to implement a new AFM awards policy based on feedback we received in the last AFM Quality of Worklife survey (see attached memo). As we approach performance appraisals for the cycle that ended December 31, I have been asked to provide clarification as to when this new policy is to take effect. This memo said:

"this new policy will go into effect with the upcoming rating cycle for all positions within AFM."

This means that the new policy will apply to the performance appraisal period that began January 1, 2001, for two grade interval employees and will begin April 1, 2001 for one grade interval employees. The first performance award payouts under the new policy will take place a year from now in 2002. However, I expect each Division to begin implementing expanded use of SPOT and Special Act awards during 2001.

If you have any further questions, please refer them to your supervisor or Division Director.

From: Wiz Horner
To: AFM-All
Date: 9/29/00 4:14PM
Subject: AFM Performance Awards Policy

September 26, 2000

Subject: AFM Performance Awards Policy

To: All AFM Employees

From: W. G. Horner
Deputy Administrator

The most recent AFM Quality of Worklife survey indicated that employees in AFM perceive that performance awards and recognition are unfair because they are not administered consistently throughout AFM. I charged an AFM Quality of Worklife team to review this matter and report back to me. Based on their recommendation, I then charged the AFM Division Directors with developing an AFM-wide performance awards policy that is consistent and addresses the concerns raised by the workgroup. The Division Directors considered a number of alternatives. As with any effort such as this, all alternatives have their pros and cons, but I have decided to adopt the Directors' proposal because it provides consistency and is appropriate for the majority of AFM employees.

This new policy will go into effect with the upcoming rating cycle for all positions within AFM :

1. Employees who receive a rating of "Outstanding" will, at the discretion of their Division Director, receive either a Quality Step Increase (QSI), or a cash award equal to a QSI. The cash award can be no less than \$1,000.
2. Employees, regardless of grade, who receive a rating of "Superior" will receive a fixed cash award that will be 75% of the lowest possible "Outstanding" award, which is \$750.
3. I am also instructing each Division Director to increase their use of existing "Extra Effort" and "Spot" award programs by scheduling quarterly review sessions to proactively look for opportunities to use these recognition programs for groups and individual employees.

I want thank the Quality of Worklife workgroup for all of their hard work on this difficult issue as well as the Division Directors for their efforts and recommendations. I realize that the implementation of this policy may be an adjustment for many, but I believe that it not only provides us with the consistency that the Quality of Work Life survey told us that you want, but that it will also provide appropriate recognition for the largest number of high performing individuals in AFM.